Industrial development in Karnataka

1265. SHRI J. P. JAVALI : Will the PRIME MINISTER be pleased to state :

(a) whehter it is a fact that Karnataka, which was in the forefront in industrial development has in the recent past lagging behind and has been ranked below number ten on all India basis;

(b) if so, the reasons for the setback in its industrial progress; and

(c) what attempts have been made for faster rate of industrial growth by the State

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI) : (a) to (c) As per available information on the Net State Domestic product, the rate of growth of the manufacturing sector in Karnataka during 1990-91 over 1989-90 shows a decline of 0.65 per cent. Industrialization of a State is primarily the responsibilty of a State Government. However the Central Government supplements the efforts of the State Government in this regard wherever possible. The new Industrial Policy announced in July, 1991 and changes introduced in the Export and Import Policy 1992—97 are aimed at increasing growth rate of industrial production in the country including the State of Karnataka. In addition, the Government announced a scheme namely, growth Centre Scheme in 1988 under which all State Governments including the State of Karnataka have been allotted centres which would be provided with basic infrastructural facilities like power, water, banking, tele-communication, etc., so as to attract industries to these areas. Under the scheme, the State of Karnataka has been allotted three growh centres.

Prices of Tyres

1266. SHRI RAJNI RANJAN SAHU : Will the PRIME MINISTER be pleased to state ;

(a) whether it is a fact that the prices of tyres have recently been raised; if so, the extent thereof;

(b) the reasons for increase; and

(c) whether there is a proposal to reduce or rationalise the prices of tyres ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT), WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI) : (a) and (b) According to Automotive Tyre Manufacturers Association, none of the tyre companies have increased the price of bus/truck tyres which accounts for over 70% of the production of tyre industry. However, some companies have increased the prices of non-truck/bus tyres by 5-6% recently. The main reason for increase in prices of these tyres is the steep increase in raw material costs.

(c).No Sir.

Industries with foreign collaboration

1267. SHRI S. K. T. RAMACHANDRAN : Will the PRIME MINISTER be pleased to state :

(a) what has been the trend of industrial growth rate in the year 1992-93;

(b) how many large scale industries sponsored by foreign investors, foreign collaborations, Non-Resident Indians and Indigenous private entrepreneurs have been cleared by Government ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI) : (a) According to the latest quick estimates of index of industrial production as compiled by CSO the overall rate of growth during April-November 1992 over the corresponding period in 1990-91 was 3.9%

(b) During 1992-93 (April 1992 to January 1993) 1175 foreign technology agreements and 565 foreign investment

proposals have been approved by the Government. These covered 51 proposals from NRIs including 48 proposals with foreign equity participation. During the same period (April 1992 to January 1993) 515 Letters of Intent were issued and 3724 Industrial Entrepreneurs' Memoranda were field. 116 Industrial Licences were also issued.

Sales and profitability of the PSUs

1268. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that the gross sales of 184 PSU's during 1991-92 had increased over 1990-91 whereas their profitability had declined;

(b) if so, what is the percentage increase in the gross sales and percentage decrease in gross profit and net profit; and

(c) what are the reasons of decline in the profit and what corrective steps have been taken in order to avert the repetition of the same during 1992-93.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI) : (a) and (b) No, Sir. The overall percentage increase in the gross sales, increase in gross profit and increase in net profit 14.43, 24.82 & 8.93 respectively.

(c) Does not arise.

Sick industrial units in the country

1269. SHRI IQBAL SINGH :

SHRI SURESH PACHOURI :

Will the PRIME MINISTER be pleased to state :

(a) what is the number of sick industrial units in the country as on 31st March, 1991;

(b) what are the accumulated losses of these units; and

(c) the steps taken by Government to make these sick industries viable ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT) WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI) : (a) and (b) Data on Sick Industrial Units assisted by bank in the country are compiled by the Reserve Bank of India. According to the latset R.B.I. data at the end of March, 1991, 221472 units in small scale sector and 1461 units in non-small scale sector were sick. Outstanding bank credits against these sick units are Rs. 2792.04 crores and Rs. 5105.57 crores, respectively.

(c) Government has taken number of steps for revival of sick industrial units. Some of the importatnt aspects are given in the statement.,

Steps taken by Government for revival of sick industrial units.

The Government have enacted a comprehensive legislation namely 'The Sick Industrial Companies (Special Provisions) Act, 1985'. A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of the sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(2) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(3) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation package for the revival of